BOB DOLE
FOR PRESIDENT.

July 2, 1996

MUR 4407

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

JUL 2 12 51 PM '96

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

Re: Violation of Expenditure Limits by Clinton/Gore '96 Primary Committee, Inc. and Democratic National Committee

Dear Mr. Noble:

This is a complaint against the Clinton/Gore '96 Primary Committee, Inc. ("Campaign") and the Democratic National Committee ("DNC") filed under the Federal Election Campaign Act of 1971, as amended ("FECA"). Specifically, the Campaign exceeded its expenditure limit and failed to properly report those expenditures. Furthermore, even if the Campaign were not considered to have exceeded its expenditure limit, the DNC exceeded its coordinated expenditure limit and failed to report those expenditures.

I. The Campaign Exceeded Its Expenditure Limit

FECA prohibits a Presidential campaign receiving matching funds from making expenditures in connection with a primary election that exceed a base limit of $30,910,000 for the 1996 primary election. 2 U.S.C. § 441a(b). It appears, however, that the Campaign has attempted to circumvent this limit by directing the DNC to make expenditures above and beyond this limit on behalf of the Campaign.

The enclosed excerpts from the book, The Choice, authored by Bob Woodward (Exhibit A), states that President Clinton personally directed and controlled from the White House several ad campaigns that were paid for by the DNC. Indeed, President Clinton was apparently so intimately involved with the DNC advertising that he personally decided what photos should be used in the ads. Dick Morris and Bob Squier reportedly took direction from the President and directed the day-to-day management of the ad campaigns in an apparent concerted effort to circumvent the Campaign's spending limits. These ad campaigns were aimed at attacking Republican candidate Bob Dole and cost at least $25,000,000.

Given that President Clinton personally controlled, directed, and edited the DNC ad campaigns, the $25,000,000 that the DNC has spent on such advertisements -- even in the absence of express advocacy -- should be treated as the Campaign's expenditures. Otherwise, the Campaign would be permitted to circumvent the limits on spending by having President Clinton, who of course is an agent of the Campaign, direct and control national party expenditures to supplement its own. 2 U.S.C. § 432(e)(2)

The enclosed Federal Election Commission ("FEC" or "Commission") report reflects that the Campaign's expenditures subject to the limit were $12,861,948 as of May 31, 1996 (Exhibit B). Even after subtracting debts owed to the Campaign and the Campaign's letters of credit, and adding debts and obligations owed by the Campaign, the total net expenditures subject to the limit are at least $12,412,296 (Exhibit C). Adding the $25,000,000 to this figure brings the Campaign's expenditures clearly over the $30,910,000 limit.

Finally, the Campaign should be required to report the $25,000,000 as an expenditure subject to the limit under FECA.

II. DNC Exceeded its Coordinated Expenditure Limit

Even if the $25,000,000 spent on the DNC ad campaigns personally controlled by President Clinton were not considered part of the Campaign's expenditures, the expenditures would clearly constitute coordinated expenditures by the DNC. The DNC, however, is limited to making $12,000,000 in coordinated expenditures in connection with the general election of its nominated candidate for the 1996 general election campaign. 2 U.S.C. 441a(d). The DNC's $25,000,000 ad campaign run on behalf of the Campaign constitutes expenditures well above the coordinated expenditure limit.

The DNC media expenditures count toward the $12,000,000 expenditure limit even though they were coordinated with the Campaign during the primary campaign season. Specifically, in Advisory Opinion 1984-15, the FEC advised that coordinated expenditures made before a party's nomination of a candidate would count toward the expenditure limit if the candidate with whom the expenditures are coordinated is assured of the party's nomination. See AO 1984-15, Fed. Elec. Camp. Fin. Guide (CCH) ¶ 5766 (June 26, 1992).

Finally, these coordinated expenditures should have been reported by the DNC as such in its FEC reports.

III. The DNC Spent Illegal Corporate Funds on the Ad Campaigns

Whether the $25,000,000 spent on the ad campaigns is considered to be a Campaign expenditure or alternatively, a coordinated expenditure by the DNC, FECA prohibits the use of corporate funds for such advertising. Clearly, a federal campaign may not spend corporate funds on primary election expenses. 2 U.S.C. § 441b. Likewise, a national party committee's coordinated expenditures must be made from funds subject to federal contribution limits and prohibitions. Id. However, excerpts from the Woodward book (Exhibit A) indicate that the Campaign and the DNC violated these provisions. Indeed, the book suggests that the opportunity to use corporate money was a prime factor in the decision to run the ad campaigns through the DNC.

IV. Continued Misuse of Taxpayer Monies Will Lead to Further Violations of Spending Limits

Given that the Campaign has apparently exceeded its spending limits, future spending by the Campaign, including those expenditures supplemented by taxpayer monies, will constitute further violations under FECA. The Campaign is likely to continue to misuse taxpayer monies received from the matching funds program. The Campaign should thus be required to place in escrow its remaining matching funds for future penalties and repayments.

V. Conclusion

Given the violations of FECA described above, we urge the Commission to:

- Find that the Campaign and its Treasurer knowingly and willfully violated FECA by making excessive expenditures in violation of 2 U.S.C. § 441a(b);

- Find that the DNC and its Treasurer knowingly and willfully violated FECA by making excessive expenditures in violation of 2 U.S.C. § 441a(d);

- Find that the Campaign and its Treasurer failed to report these expenditures in violation of 2 U.S.C. § 434;

- Find that the DNC and its Treasurer failed to report these expenditures in violation of 2 U.S.C. § 434;

- Impose appropriate penalties for such violations;

- Suspend any further payments of matching funds to the Campaign;

- Require the Campaign to refund the U.S. Treasury the amount that it has exceeded the spending limits, or alternatively, excuse the Dole for President Campaign from the spending limits in the interest of comity; and,

- Take any other actions necessary to prevent further violations of FECA.

Let me know if I may be of further assistance.

Sincerely,

Douglas C. Wurth

Douglas C. Wurth
General Counsel

Enclosures

Subscribed and sworn
to me this 2nd day
of July, 1996.

Andrea M Mack
Notary

My commission expires
June 30, 2000.

EXHIBIT A

THE CHOICE

BOB WOODWARD

SIMON & SCHUSTER

SIMON & SCHUSTER
Rockefeller Center
1230 Avenue of the Americas
New York, NY 10020

Designed by Amy Hill
Manufactured in the United States of America

10 9 8 7 6 5 4 3 2 1

Library of Congress Cataloging-in-Publication Data is available.
ISBN 0-684-81308-4

AUTHOR'S NOTE

Karen Alexander, a 1993 graduate of Yale University, has been with me every step of the way on this project. Attempting to write a book about an ongoing presidential campaign is both an endurance contest and a high-speed chase. She brought unmatched intellect, grace and doggedness and an ingrained sense of fairness to this book. Karen was my collaborator on the reporting, writing, editing and thinking. She spent weeks in the home states of candidates, gathering research and doing vast amounts of original reporting. Each day she enriched both the project and the lives of myself and my wife, Elsa Walsh. We were able to confide in her and rely on her in every way. This book could not have been done without Karen, and it is hers as much as mine. As she leaves to purs her own writing career, she falls into that rare category of "friend life."

The lawyers said that if Clinton rejected the federal matching funds, he would not have to abide by any fund-raising limits during the primary period. The possibilities would be limitless—potentially tens of millions of dollars more to spend on television advertising, perhaps even $50 to $60 million or more for an unparalleled media blitz. Morris decided that was the solution.

Panetta believed he finally had procedures in place with Bowles and Ickes at their follow-up meeting so none of Morris's ideas would get through to Clinton unfiltered. Morris pitched the idea of opting out of the matching-fund straitjacket. Ickes didn't like the smell one bit. He was 100 percent opposed, but Ickes had become an honest broker, promising to present ideas from Morris in the formal system. He outlined the idea in an August memo to Clinton but also noted that right away another $15 million would have to be raised just to offset the lost federal matching funds.

After a meeting, Clinton and Gore took Terry McAuliffe aside to ask what he thought.

"This seems far-fetched to me," Clinton said, but perhaps it was possible. If anyone could do it, McAuliffe could. What did Terry think?

"It's the dumbest idea I've ever heard," McAuliffe said. First, it would devastate the Democrats running for the Senate and House seats to have Clinton-Gore out there raising unlimited amounts of money. There was only so much money available and any excess money raised by Clinton-Gore would come out of the hides of other Democratic candidates. "We'll have a civil war on our hands," he added. Second, active Clinton-Gore fund-raising would also dry up the Democratic National Committee fund-raising next year, destroying what would be an important component for a coordinated campaign with Clinton-Gore. Third, McAuliffe added, it would make the president look like he was not playing by the rules and the spirit of the Watergate campaign reforms. "I just think it's too cute."

Panetta added that the president could not stab his own party in the back again, after caving on the balanced budget.

Morris argued to Clinton that he had to look out for himself, not other Democrats. And a civil war with Democrats would not necessarily be all bad. Clinton had to strike out on his own. Despite all the chatter and hubbub in Washington, Clinton's success in November 1996 would hinge on the amount of television advertising he could put on the air to pierce into the lives and attention of the voters, Morris said.

Clinton finally decided to go against Morris on this one. As candidate and president, Clinton had been on the side of political reform, trying to reduce the influence of money and special interests in politics. Operating outside of the existing federal election system, though technically legal, would open him to criticism which he felt would be valid and never-ending. And he was not sure he wanted to open this Pandora's box. Despite his momentary advantage raising money as a sitting president, Clinton wasn't sure he wanted to challenge Republicans in fund-raising, their traditional strength.

In August, Morris had new polling data on Medicare, the federal health insurance program for the elderly. The results showed that voters liked Medicare, trusted it and felt it was the one federal program that worked. Medicare was like Social Security—almost a third rail of politics that carried the highest voltage—the politicians did not dare touch it. And the Republicans were proposing cuts of $270 billion over seven years.

"You can shove it up their ass," Morris said.

Simultaneously, Mark Penn, Clinton's pollster, was working with some polling data showing renewed voter interest in values. They liked the notion of unity, working together and Clinton's notion of "common ground," for example.

Morris wanted more money from the Clinton-Gore campaign to run television advertising emphasizing Clinton's policy of protecting Medicare, not cutting it. The crime ads which had run earlier in the summer had been a giant smash hit, Morris was still arguing.

Clinton liked the idea and wondered aloud why they were not up on the air talking about his agenda.

Terry McAuliffe argued strenuously against spending more money on ads. "They'll be using our precision money," he said, since by law they could only raise about $30 million, which was going to be an absolute legal ceiling. The $1,000 limit on direct individual contributions to the presidential race made that money the hardest to get.

Harold Ickes said he agreed 100 percent with McAuliffe. The Clinton-Gore money was their insurance policy during the primary season. Even though it looked like there was no challenger to Clinton, one could emerge in a flash.

Bob Squier was an advocate of an early ad campaign. He believed an incumbent, even a president, was at a disadvantage because a challenger could define the incumbent and the issues. The incumbent had to strike early to define himself and set the framework of the debate.

Clinton wanted an ad campaign. Morris was pressing, Ickes and McAuliffe were resisting.

There was only one other place to get the money: the Democratic National Committee, which functioned as the unofficial arm of the Clinton campaign. And Clinton, as the head of the party, directed the committee's efforts. The committee could launch a new fund-raising effort as it had in 1994 when millions had been raised in a special effort to televise pro-Clinton health care reform ads. Though opponents of his health care reform plan had spent much, much more, the idea was sound. Clinton said he was not going to be drowned out this time, and directed a special fund-raising effort.

McAuliffe knew that if the president was behind a special fund-raising drive by the party, the money would be raised. Clinton did not make the fund-raising calls himself, but Vice President Gore made about 50 personal calls, and the party's chairman and entire fund-raising apparatus were turned loose. Because the money supposedly would be for the party, there were no limits on contributions—the so-called soft money loophole in the law allowing contributions for general operations. A number of large contributions in the $100,000 range were received.

Of course the distinction between Clinton-Gore money and Democratic Party money existed only in the minds of the bookkeepers and legal fine-print readers. It was all being raised and spent by the same people—Clinton, Gore, Morris and the campaign apparatus. In all, some $10 million was raised in the special fund-raising effort, and the Democratic Party went another $5 to $6 million in debt—drawing on its bank line of credit—to finance what eventually became a $15 million advertising blitz.

For several months, Morris and Bob Squier had been testing a half a dozen possible 30-second scripts and television ads a week for possible use. At weekly evening meetings in the White House, Clinton went through them, offered suggestions and even edited some of the scripts. He directed the process, trying out what he wanted to say, what might work, how he felt about it, and what it meant.

Morris jumped in most often, completing Clinton's sentences and finishing his thoughts.

Squier could see that the process was imposing a discipline on Clinton as he worked to formulate the precise message he wanted to convey. The

concepts and the language they worked over in the scripts were showing up in Clinton's public statements.

The late summer was a difficult time for the Clintons. Senator D'Amato was holding hearings on the Whitewater scandal. The revelations of the hearings were minor, but D'Amato kept up a steady drumbeat as he called a parade of witnesses from the administration to testify in public. Joe Klein of *Newsweek* perhaps best captured the problem in an August 7 column, "The Body Count, The Real Whitewater scandal may be how the Clintons treat their friends." He recounted how Maggie Williams, Hillary's chief of staff, had to spend her own money on legal fee and had tearfully testified before the committee. "How could the Fir Lady allow her chief of staff to spend $140,000 on legal fees?" Klein asked. "Why hasn't she come forward and said, 'Stop torturing my staff. This isn't about them. I'll testify. I'll make all documents available. I'll sit here and answer your stupid, salacious questions until Inauguration Day, if need be.' "

Whitewater and the Clintons' response to it made them look sleazy. Their values were being increasingly called into question.

Bob Squier, whose experience went back to the 1968 Hubert Humphrey campaign, argued that presidential elections almost inevitably got down to clashing arguments over values. That was where the 1996 campaign was headed. Clinton needed to seize the high ground on a value-related issue. Protecting the elderly at the end of their lives was one of the most cherished American values. Clinton needed to build on that. Protecting the elderly was the popular Medicare program which the Democrats had created. It was their program, the party's child. Its grandfath was Social Security, also created by the Democrats. The Republicans ha been stalking both Social Security and Medicare since their beginnings. Medicare was the Democrats' birthright, and the Republicans now wanted to cut it. Clinton's argument had to be to the voters: If you want something done about Medicare, you want Democrats to do it. Democrats would protect their child.

It was in this context that on August 10, Squier and Morris finally made the first 30-second television Medicare ad that would air. It was called "Protect."

The screen opened with a shot of a hospital heart monitor showing a healthy heartbeat—with a comfortable, reassuring ping, ping, ping.

It was phenomenal, Dole said, that all the negative advertising could drive up his unfavorables so much. All that money Forbes used to attack, attack, attack! "Money speaks, money talks," Dole said. Fighting back was okay with him. He likened it to lifting the arms embargo in Bosnia. Yeah, all right, he said. "Lift and strike!"

Morris had continued to press Clinton on welfare reform, literally begging Clinton to sign a Senate welfare reform bill in the works. The pressure had seemed to be paying off earlier, when on September 16 he persuaded Clinton to give a Saturday radio address praising the bill and all but promising to sign it. Three days later, the bill passed the Senate 87 to 12, enough votes to override a presidential veto. Nearly all the Republicans and a majority of the Democrats voted for the bill called the Personal Responsibility and Work Opportunity Act of 1995. The bill imposed a time limit. A person could only collect welfare for five years. Getting the welfare issue off the table was one of Morris's foremost strategic goals.

But the Health and Human Services Department presented Clinton with a study showing that about 1.5 million children would be thrown into poverty by the bill because 75 percent of the children whose families were on welfare were on it for more than five years.

Though he initially seemed supportive, intense publicity about the study put Clinton in a crunch. Marian Wright Edelman, head of the Children's Defense Fund and an old friend and decades-long children's activist with Hillary, laid down a strong marker. She appealed publicly to Clinton's "moral conscience" not to go along with the Republican measure. The bill changed somewhat in negotiations with the House, and became harsher. The Senate on December 22 passed a final version 52 to 47. The publicity and the House's impact had won back all but one of the Senate's 46 Democrats. So 45 Democrats and two Republicans voted against it.

Dole no longer had the votes to override Clinton's veto. He spoke with Clinton after Christmas.

"I don't think the Senate bill we passed is that bad," Dole said.

Clinton cited the study about throwing 1.5 million children into poverty.

Dole said he had seen so many studies over the years he didn't know what to believe. The bill was a significant first step and was largely consistent with the principles that Clinton had outlined. "It's only a five-year bill and if we find out in a year that some of those things are true, we can change it," Dole said. "It's not that we don't meet every year." Dole's advice was to sign it. "We're going to be around. We're not cold-hearted up here. We've got a pulse."

Clinton said he thought the bill had changed too much and the cuts would be too hard on children, including some big structural changes in foster care, food stamps and the school lunch program.

"If you're going to veto it, Mr. President," Dole said, "you ought to set down why you're vetoing it, otherwise you're going to be hard-pressed."

"I'll do that," Clinton replied.

But Clinton shifted ground again. On January 6, 1996, Clinton offered to accept the five-year welfare limit as part of his overall balanced budget proposal.

Three days later, at 8 P.M., he shifted again. While Washington was still snowed in, Clinton vetoed a separate welfare bill based largely on the Senate version.

Dole took to the Senate floor the next day. "The president may have tried to hide this 'stealth veto' by doing it late at night, but he cannot hide the message he is sending to the American people," Dole said. "He will stand in the way of fundamental change and, instead, will fight for the status quo."

Clinton sensed that as they settled into 1996, Dole was more reluctant for a budget or any other deal. He seemed to be saying, forget it in the campaign year.

Dole still maintained he wanted a budget deal, but that he couldn't take any more meetings. "I've got to get out of here," he had said repeatedly to whomever was sitting next to him, including House Democratic Leader Dick Gephardt. He had met for some 50 hours with Clinton and the others. His eyes would glaze over. "Numbers, numbers, numbers!" he said. "It got to be an endurance contest." He felt like a potted plant or a prop. The winter snowstorms came. "Meet! Meet! Meet!" he said, wagging his head. "Snowstorm! Meet! Blizzard! Meet! Meet!"

Clinton remained heavily involved in the day-to-day presentation of his campaign through television advertising. The pre-Christmas ad called "Children" had accused the Republicans of wanting to cut tax credits for the poor, health care and education for children. A new ad was proposed saying the Republicans were willing to balance the budget on the backs of children.

Dick Morris and Bob Squier came up with the new ad, not very subtly called "SLASH," with the same theme about Republican cuts in health care, education and the environment versus Clinton's efforts to protect those programs. Pulling no punch, the ad put the choice in terms of "duty" to children.

Clinton said that he didn't want the standard visual of Dole and Gingrich flashed in the ad.

Squier disagreed strongly. It was a small point, but one that he and his ad specialists thought would make a difference. Right when the ad said, "Drastic Republican budget cuts," they wanted to put up the picture of two of the horsemen of the apocalypse—Gingrich and Dole. Other Republican leaders, like House Budget Chairman Kasich, were out there publicly calling the Clinton plan—and by inference Clinton himself—a turkey.

"Yeah," Clinton said, "but it's not Gingrich and Dole." The spirit of the budget negotiations was not to personalize their differences. They were trying to avoid personal attacks.

But they were the symbols of the Republican Party, Squier argued, and lashing Dole to Gingrich was a key part of the strategy to contrast Republican extremism with Clinton's reasonableness.

"Those are the guys in the room," Clinton said, referring to the budget discussions in the Oval Office, "and that's the way it is."

Squier pressed very hard. He thought Clinton was dead goddamn wrong.

No pictures, Clinton said. "That's the way it's going to be," the president directed, "and you do what I tell you to do."

"SLASH" ran without pictures or references to Dole or Gingrich. It was paid for by the Democratic National Committee (DNC) and was supposed to have nothing to do with the Clinton-Gore reelection effort.

Clinton personally had been controlling tens of millions of dollars worth of DNC advertising. This enabled him to exceed the legal spending limits and effectively rendered the DNC an adjunct to his own reelection effort. He was circumventing the rigorous post-Watergate reforms that were designed to limit and control the raising and spending of money for presidential campaigns. His direct, hands-on involvement was risky, certainly in violation of the spirit of the law and possibly illegal.

For practical purposes, Clinton's control of the party advertising—and his aggressive use of it going back to the first Medicare ads the previous August—gave him at least $25 million more for the primary period. That was in addition to the $37 million the Clinton-Gore campaign was authorized to spend under the law. And Clinton did not have a primary challenger. In contrast Dole, who had to fight his way through the expensive primaries and had no similar control over the Republican National Committee until the primaries were over, was limited to the $37 million. The playing field was not level.

I called Lawrence M. Noble, the general counsel of the Federal Election Commission, one of the premier non-partisan experts on money in politics. Noble had been with the commission for 19 years, and its top lawyer for ten years. I outlined the hypothetical situation of a presidential candidate deeply involved in his party's advertising, but without saying it involved any candidate in particular. Noble had one comment. "We ha[illegible] forgotten the lessons of Watergate."

The Federal Election Commission consists of six commissioners, three Democrats and three Republicans. Scott E. Thomas, one of the three Democrats and a commissioner for the last ten years, said the law had been seriously undermined, and new reform was needed. "The limits and prohibitions are basically out the window," he said.

Meanwhile, Dole still was fighting Steve Forbes. His first attack ad on Forbes aired Friday, January 12.

Almost immediately, Nelson Warfield received a call from a newspaper reporter who had checked the facts in the ad. Indeed, Forbes had said he opposed the "three strikes and you're out" legislation, but in the same sentence, in the interview the Dole campaign was using, he had said, "I believe in one strike and you're out."

"What the fuck!" Warfield screamed. He checked the backup material, and the reporter was absolutely right. Lacy and Stevens had rushed making the ad. Warfield, who was campaigning with Dole, pointed this out. The new big negative ad had a significant distortion in it, Warfield said.

Maybe we should pull the ad, Dole told Reed.

Reed was furious at the mistake, but said it would be unthinkable to pull the ad. That would be an admission of wrongdoing and it would become a huge news story: Front-runner pulls first negative ad because of unfair distortions. Too devastating. No way. They would find some way to brush it off.

Dole said okay.

Forbes saw the ad. My God, he thought, this is going to get nasty. They're going to knock me down.

EXHIBIT B

REPORT OF RECEIPTS AND DISBURSEMENTS BY AN AUTHORIZED COMMITTEE OF A CANDIDATE FOR THE OFFICE OF PRESIDENT OR VICE PRESIDENT

RECEIVED FEDERAL ELECTION COMMISSION MAIL ROOM

JUN 18 1 06 PM '96

USE FEC MAILING LABEL OR TYPE OR PRINT

1. NAME OF COMMITTEE (in full)
Clinton/Gore '96 Primary Committee, Inc.

ADDRESS (number and street) ☐ Check if different than previously reported
2100 M Street, NW

CITY, STATE, and ZIP CODE
Washington, DC 20037

2. IDENTIFICATION NUMBER
C00302265

3. IS THIS REPORT OF RECEIPTS AND DISBURSEMENTS FOR:
☒ Primary ☐ General

4. TYPE OF REPORT (Check here ☐ if this is a Termination Report.)
(a) "X" appropriate box and complete, if applicable.

☐ April 15 Quarterly Report
☐ July 15 Quarterly Report
☐ October 15 Quarterly Report
☐ January 31 Year End Report

Monthly Report Due on:

☐ February 20	☒ June 20	☐ October 20
☐ March 20	☐ July 20	☐ November 20
☐ April 20	☐ August 20	☐ December 20
☐ May 20	☐ September 20	☐ January 31

☐ Twelfth day report preceding ______ (Type of Election)
election on ______ in the State of ______

☐ Thirtieth day report following the General Election on ______

(b) Is this Report an Amendment? ☐ Yes ☒ No

5. COVERING PERIOD	FROM	THROUGH
	May 1, 1996	May 31, 1996

SUMMARY	6. CASH ON HAND AT BEGINNING OF THE REPORTING PERIOD	19,343,730.64
	7. TOTAL RECEIPTS THIS PERIOD (From Line 22, Column A, Page 2)	1,399,430.13
	8. SUBTOTAL (Lines 6 and 7)	20,743,160.77
	9. TOTAL DISBURSEMENTS THIS PERIOD (From Line 30, Column A, Page 2)	2,711,522.64
	10. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 9 from 8)	18,031,638.13
	11. DEBTS AND OBLIGATIONS OWED TO THE COMMITTEE (Itemize All on Schedule C-P or Schedule D-P)	512,464.47
	12. DEBTS AND OBLIGATIONS OWED BY THE COMMITTEE (Itemize All on Schedule C-P or Schedule D-P)	631,968.23
	13. EXPENDITURES SUBJECT TO LIMITATION	12,861,947.69
NET YEAR-TO-DATE CONTRIBUTIONS AND EXPENDITURES	14. NET CONTRIBUTIONS (Other than Loans) (Subtract Line 28d, Column B from 17e, Column B, Page 2)	2,564,185.80
	15. NET OPERATING EXPENDITURES (Subtract Line 20a, Column B from 23, Column B, Page 2)	6,570,661.11

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

TYPE OR PRINT NAME OF TREASURER
Joan C. Pollitt

SIGNATURE OF TREASURER
Joan Pollitt

DATE
6-18-96

For further information, contact:
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463
Toll Free 800-424-9530
Local 202-219-3420

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. § 437g.

All previous versions of FEC FORM 3P are obsolete and should no longer be used.

FEC FORM 3P, Page 1 (5/95)

FE5AN047

DETAILED SUMMARY OF RECEIPTS AND DISBURSEMENTS
(Page 2, FEC FORM 3P)

NAME OF COMMITTEE (in Full)	REPORT COVERING THE PERIOD From: 5-01-96 Through: 5-31-96		
Clinton/Gore '96 Primary Committee, Inc.	COLUMN A Total This Period	COLUMN B Calendar Year-to-Date	
I. RECEIPTS			
16. FEDERAL FUNDS (Itemize on Schedule A-P)	716,905.73	11,781,701.67	16
17. CONTRIBUTIONS (other than loans) FROM:			
(a) Individuals/Persons Other Than Political Committees	632,886.47	2,749,361.53	17(a)
(b) Political Party Committees	0.00	0.00	17(b)
(c) Other Political Committees	0.00	0.00	17(c)
(d) The Candidate	0.00	0.00	17(d)
(e) TOTAL CONTRIBUTIONS (other than loans) (Add 17(a), 17(b), 17(c) and 17(d))	632,886.47	2,749,361.53	17(e)
18. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES	0.00	0.00	18
19. LOANS RECEIVED:			
(a) Loans Received From or Guaranteed by Candidate	0.00	0.00	19(a)
(b) Other Loans	0.00	0.00	19(b)
(c) TOTAL LOANS (Add 19(a) and 19(b))	0.00	0.00	19(c)
20. OFFSETS TO EXPENDITURES (Refunds, Rebates, etc.):			
(a) Operating	11,887.28	80,470.71	20(a)
(b) Fundraising	1,503.43	132,269.51	20(b)
(c) Legal and Accounting	12.29	6,674.23	20(c)
(d) TOTAL OFFSETS TO EXPENDITURES (Add 20(a), 20(b) and 20(c))	13,503.00	219,414.45	20(d)
21. OTHER RECEIPTS (Dividends, Interest, etc.)	36,134.93	238,182.35	21
22. TOTAL RECEIPTS (Add 16, 17(e), 18, 19(c), 20(d) and 21)	1,399,430.13	14,988,660.00	22
II. DISBURSEMENTS			
23. OPERATING EXPENDITURES	1,962,849.31	6,651,131.82	23
24. TRANSFERS TO OTHER AUTHORIZED COMMITTEES	5,512.50	37,999.50	24
25. FUNDRAISING DISBURSEMENTS	538,754.82	2,374,416.62	25
26. EXEMPT LEGAL AND ACCOUNTING DISBURSEMENTS	191,856.01	1,115,593.76	26
27. LOAN REPAYMENTS MADE:			
(a) Repayments of Loans made or Guaranteed by Candidate	0.00	0.00	27(a)
(b) Other Repayments	0.00	0.00	27(b)
(c) TOTAL LOAN REPAYMENTS MADE (Add 27(a) and 27(b))	0.00	0.00	27(c)
28. REFUNDS OF CONTRIBUTIONS TO:			
(a) Individuals/Persons Other Than Political Committees	12,550.00	185,175.73	28(a)
(b) Political Party Committees	0.00	0.00	28(b)
(c) Other Political Committees	0.00	0.00	28(c)
(d) TOTAL CONTRIBUTION REFUNDS (Add 28(a), 28(b) and 28(c))	12,550.00	185,175.73	28(d)
29 OTHER DISBURSEMENTS	0.00	29,601.00	29
30. TOTAL DISBURSEMENTS (Add 23, 24, 25, 26, 27(c), 28(d) and 29)	2,711,522.64	10,393,918.43	30
III. CONTRIBUTED ITEMS (Stock, Art Objects, Etc.)			
31. ITEMS ON HAND TO BE LIQUIDATED (Attach List)			31

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FEC FORM 3P, Page 3
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

ALLOCATION OF PRIMARY EXPENDITURES BY STATE FOR A PRESIDENTIAL CANDIDATE
(Used Only by Primary Committees Receiving or Expecting To Receive Federal Funds)

1. NAME OF COMMITTEE IN FULL	2. IDENTIFICATION NUMBER
Clinton/Gore '96 Primary Committee, Inc.	C00302265
COMMITTEE ADDRESS 2100 M Street, NW	3. NAME OF CANDIDATE William J. Clinton
CITY, STATE AND ZIP CODE Washington, DC 20037	

ALLOCATION BY STATE

STATE	ALLOCATION THIS PERIOD	TOTAL ALLOCATION TO DATE	STATE	ALLOCATION THIS PERIOD	TOTAL ALLOCATION TO DATE
Alabama	576.11	1,265.01	Nebraska	(1,171.00)	1,388.24
Alaska	103.24	2,822.20	Nevada	(1,153.16)	7,239.24
Arizona	(1,141.76)	5,001.86	New Hampshire	(1,027.18)	143,597.09
Arkansas	12,758.26	47,387.59	New Jersey	46,058.23	163,220.19
California	8,324.55	555,460.12	New Mexico	10,026.00	15,292.05
Colorado	14.66	77,023.56	New York	(1,163.65)	193,030.69
Connecticut	43.49	8,107.21	North Carolina	1,065.94	19,455.91
Delaware	3.43	6,841.48	North Dakota	(1,146.70)	2,504.60
District of Columbia			Ohio	(1,152.90)	153,821.06
Florida	1,208.35	215,202.68	Oklahoma	24.85	772.28
Georgia	(827.78)	4,241.86	Oregon	38.77	38,518.94
Hawaii	(204.45)	1,836.28	Pennsylvania	1,478.57	131,121.19
Idaho	(1,169.50)	3,364.99	Rhode Island	(1,101.71)	5,641.01
Illinois	(1,327.49)	196,339.53	South Carolina	(1,152.19)	3,697.02
Indiana	27.85	15,76[illegible].94	South Dakota	(1,196.21)	5,941.73
Iowa	(465.14)	104,[illegible].89	Tennessee	80.52	55,970.30
Kansas	19.77	[illegible]	Texas	(1,247.06)	69,713.35
Kentucky	[illegible]	[illegible]	Utah	6.13	1,193.[illegible]
Louisiana	[illegible]	[illegible]032.50	Vermont	(1,598.71)	4,276.77
Maine	(1,1[illegible].89)	14,543.57	Virginia	89.84	4,605.18
Maryland	(1,144.80)	32,312.07	Washington	862.85	74,166.37
Massachusetts	(897.50)	64,241.41	West Virginia	1,632.50	4,002.89
Michigan	724.26	152,359.05	Wisconsin	(1,096.45)	81,921.28
Minnesota	(414.54)	9,464.17	Wyoming	(859.57)	3,704.06
Mississippi	(1,166.33)	3,647.36	Puerto Rico		
Missouri	(2,328.83)	63,077.60	Guam		
Montana	790.52	2,169.44	Virgin Islands		
			TOTALS	127,481.41	2,856,626.87

FE5AN047

FEC FORM 3P, Worksheet
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

EXPENDITURES SUBJECT TO LIMIT
(Used Only by Primary Committees Receiving or Expecting To Receive Federal Funds)

NAME OF CANDIDATE OR COMMITTEE (in Full)	PERIOD COVERED: FROM	TO
Clinton/Gore '96 Primary Committee, Inc.	5-01-96	5-31-96

A. Operating Expenditures (Line 23, Column B)	6651131.82	
B. Operating Offsets (Line 20a, Column B)	80470.71	
C. Current Year Net Operating Expenditures (Subtract Line B from A)		6570661.11
D. Prior Year(s) Operating Expenditures	6076008.22	
E. Prior Year(s) Operating Offsets	122977.82	
F. Prior Year(s) Net Operating Expenditures (Subtract Line E from D)		5953030.40
G. Fundraising Disbursements (Line 25, Column B)	2374416.62	
H. Offsets to Fundraising Disbursements (Line 20b, Column B)	132269.51	
I. Current Year Net Fundraising Disbursements (Subtract Line H from G)	2242147.11	
J. Prior Year(s) Fundraising Disbursements	4522017.32	
K. Prior Year(s) Fundraising Disbursements Offsets	243908.25	
L. Prior Year(s) Net Fundraising Disbursements (Subtract Line K from J)	4278109.07	
M. Total Net Fundraising Disbursements (Add Lines I and L)	6520256.18	
N. 20% Exemption (20% of Overall Expenditure Limit)	6182000.00	
O. Total Fundraising Disbursements Subject to Limit (Subtract Line N from M)	See Instructions Below	338256.18
P. Total Expenditures Subject to Limitation (Add Lines C, F and O)	See Instructions Below	12861947.69

INSTRUCTIONS
(Calculated from FEC Form 3P, page 2)

This worksheet must be retained to support, in part, the amount reported on Line 13.

FEC Form 3P, Worksheet, is for use by a candidate or the principal authorized committee of a candidate, to track expenditures subject to limitation during the primary campaign (2 U.S.C. § 441a(b)(1)(A)). As soon as possible after the beginning of the calendar year, the Commission will publish the adjusted limits to be used during the election cycle. The 20% fundraising exemption will be based on the published overall expenditure limitation.

Line A - From FEC Form 3P, page 2, enter the calendar year-to-date total for operating expenditures.

Line B - Enter the calendar year-to-date total of offsets to operating expenditures.

Line C - Subtract Line B from Line A.

Line D - If reports were filed in a prior year(s), from the year end report(s), enter the calendar year-to-date total for operating expenditures.

Line E - From the year-end report(s) for the prior year(s), enter the calendar year-to-date total for offsets to operating expenditures.

Line F - Subtract Line E from Line D.

Line G - From FEC Form 3P, page 2, enter the calendar year-to-date total for fundraising disbursements.

Line H - Enter the calendar year-to-date total for offsets to fundraising disbursements.

Line I - Subtract Line H from Line G to obtain the net fundraising disbursements for the current year.

Line J - If reports were filed in a prior year(s), enter the calendar year-to-date total for fundraising disbursements from the year-end report(s).

Line K - If offsets to fundraising disbursements were received in a prior year(s), enter the calendar year-to-date total from the year-end report(s).

Line L - Subtract Line K from Line J.

Line M - Add Line I and Line L.

Line N - Enter 20% of the overall expenditure limit as published by the FEC.

Line O - Subtract Line N from Line M. If the result is less than zero, enter -0-. If greater than zero, enter the amount.

Line P - Add Line C, Line F, and Line O to obtain the total of operating expenditures made by the Committee subject to 2 U.S.C. § 441a(b)(1)(A) limitation. The total reflected on Line P, "Total Expenditures Subject to limitation," is carried forward to FEC Form 3P, Page 1, Line 13.

If the candidate has authorized other political committees, the principal campaign committee must first consolidate the calendar year-to-date receipt and disbursement activity on FEC Form 3P, page 4 (Consolidated Report of Receipts and Disbursements). FEC Form 3P, Worksheet, is completed using the appropriate column totals from the current and previous calendar year (if any) consolidation reports.

EXHIBIT C

Clinton/Gore /96 Spending Limit

Expenditures subject to limitation as of 5/31	12,861,948
Plus debts and obligations owed	631,968
Less letters of credit included above	-569,156
Less debts owed to the committee	512,464
Net total subject to limitation	12,412,296
Base spending limit	30,910,000
Balance remaining	18,497,704

Source: June 20 FEC Report for Clinton/Gore '96.

July 1, 1996.